**Managing Risk and Internal Controls Sub-Com Board Meeting:**

**12 December 2018 – MINUTES**

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| **Present:** |  |  |
| Jerry Glazier (chair) | Member Representative | JG |
| David Butcher | Employer Representative | DB |
| Lee Probert (dialled in) | Employer Representative | LP |
| Dave Wilkinson | Member Representative | DW |
| Sue Crane | DfE Senior Contract Manager | SC |
| Anna Alderson | DfE Contract Manager | AA |
| Neil Crombie | TP Head of Policy and Technical Team | NC |
| Keith Barker | TP Finance Manager | KB |
| Fiona Laundy | DfE Secretariat | FL |
| Richard Lees | DfE Senior Finance Manager (observer) | RL |
| Mark Dutson | DfE Contract Management (observer) | MD |
| **Apologies :** | | |
| Chris Jones | Member Representative | CJ |
| Kathryn Symms | DfE Secretariat | KS |

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|  | **Item** | **Action** |
| Agenda item 1 | **Welcome / Apologies**   * The Chair welcomed all in attendance and introduced Keith Barker to lead on item agenda eight and Richard Lees and Mark Dutson from DfE who are observers. * Apologies were accepted for Kathryn Symms and Chris Jones. |  |
| Agenda item 2 | **Review previous minutes from 20/06/18**   * The sub-committee agreed that the previous minutes were an accurate record of the meeting held in September. |  |
| Agenda Item 3 | **Actions from the previous meeting**   * SC advised that open actions will be covered in this agenda. |  |
| Agenda Item 4 | **Role changes within DfE team**   * SC advised that RL has left the Commercial project and will support her on finance aspects moving forward. She will replace Neneh Binning as DfE lead for this sub-committee, supported by Richard (finance) and Anna (risk). SC advised the sub-committee regarding her sustained involvement in risk management over the last 5 years and of her existing strong links to Capita Group Internal Audit, Government Internal Audit Agency, the departmental finance colleague and DfE’s Audit and Risk Committee. * JG noted that NB’s responsibilities are to be split and that no areas will be overlooked. |  |
| Agenda Item 5 | **Review of Dashboard, Overview and Finance, Risk and Audit Report and Monthly Contribution Reconciliation**   * The Chair invited the sub-committee to comment on the dashboard and report. * SC gave an update on Valuation by advising that a full time Project Manager and Business Analysist have been appointed to oversee and govern the Implementation Project. * NC advised that the Project Manager is working to produce initial project documentation, including a risk log which will be circulated to relevant stakeholders for review. An Implementation Group will be set up in January and SAB continues to make recommendations to the DfE and Secretary of State. * NC confirmed that letters explaining the impact of cost cap rectification on faster accrual elections will be going out to affected members as a priority. * DW shared concerns regarding independent schools withdrawing from the scheme due to increase in contribution rates and DB advised the same risks existed in the HE sector. * NC reflected that the potential withdrawal of the employers from the scheme impacted 3 main areas * operational (work to note any leavers and update TP systems) * financial (adjusting forecasts) * loss of contributions (which may feed through to the employer contribution rate at the next valuation). * LP highlighted the department’s positive response of providing funding for schools during the first year compared to the lack of support by HM Treasury. It was also highlighted that Universities and Colleges may find ways to reduce membership. An action for DfE/TP to consider how to mitigate and encourage employers and members remaining in the scheme. * It was discussed that contribution rates are a continuing discussion at the Scheme Advisory Board (SAB). * DB requested that the report structure is clearer to enable to sub-committees to observe its particular areas of interest. | MR01/121218  MR02/121218 |
| Agenda Item 6  Agenda Item 6a | **Review of Strategic Risk and Operational Registers:**   * JG opened this item to the sub-committee for discussion. * SC clarified that the move to the Azure environment remains a risk and the moved is planned of the end of January. TP has provided assurances that the transition will run effectively and securely. * SC gave an update on the increase of member volumes. The Issues Log (TP.1.037) is an accurate record of the steps taken to progress the issue and OP005 describes the controls in place to minimise the effect on service. The issue is at the highest level of escalation within the contract governance processes. * NC confirmed that there have been no disclosure breaches reported to tPR recently.   **Risk Appetite Statement**   * SC advised that the statement was circulated to the sub-committee on 20/11 with a deadline for comments and feedback by 27/11. * JG advised that he felt this was helpful. No issues raised and no further comments.   **Emerging Risks and Issues Log:**   * SC advised the impact of the embargo on transfer and divorce calculations has been communicated to affected members. Updated factors have now been provided by the Government Actuary’s Department (GAD) and TP are in the process of implementing these. * NC confirmed that a wider exercise will be taking place over the coming months to update other actuarial factors. * SC stated that a familiarisation day took place for tPR which went well. It was confirmed that formal processes regarding communication between tPR and TP are being developed and finalised. * NC advised that the employer tribunal case in connection with the Judges and Firefighters age related cases took place earlier this month and that the outcome is expected to be published next spring. JG queried the outcome for the TPS if this goes ahead. NC noted that the outcome could be wide ranging, depending on the decision. However, it is expected that there will be a number of appeals to any decision and, therefore, it could be some time before this becomes clearer. DW queried whether this will be sighted at SAB. * DW noted that the Water’s review of teaching in Wales had recommended that teachers be entitled to sabbital leave/career breaks. Queries were made regarding funding for this and where it would come from. |  |
| Agenda Item 7 | **Annual Assurance Plan 2019**   * JG noted that the plan has been shared with sub-committee members and no feedback had been received. |  |
| Agenda item 8 | **Forward Work Plan**  **Employer Performance Tables**   * KB presented the forward work plan presentation and gave an overview of when Employer Performance Tables were first introduced and used. * KB advised that the tool is to monitor and support decision making for employers that are breaching scheme finance requirements. The tool also helps TP identify trends and employer behaviour. * JG queried the volume of employers who breach financial regulations. * KB confirmed that there is not a high volume of employers reported but there are many employers who do not provide accurate data, breakdown slips or paid amounts in full which need to be monitored and managed. * KB clarified that discussions are taking place on how to report outstanding MDC returns to tPR that are more than 90 days overdue. TPR have shown interest in how this will develop. * DW mentioned that the Education and Skills Funding Agency (ESFA) does not incorporate pension requirements in the Academies Handbook. It was noted that there are no paragraphs explaining available support or employer duties. * An action was taken to recommend a section based on pension to ESFA to include in the Academies Handbook. * KB stated that plans are for EoYC’s is to be replaced with a risk-based approach, whereby employers are rated against a range of measures. KB highlighted that workshops on discussing and refining the MCR solution have been set up for employers and software and payroll providers.   **Agree top 5 topics and identify subject for next time**   * A review of the top five will be revisited at the next sub-committee meeting. SC to provide information regarding forward look items that fall into a specific timeframe, because of the cyclical nature of some of the work. | MR03/121218  MR04/121218 |
| Agenda Item 9 | **Agree Key Issues from the Meeting / Report to highlight at the next TPSPB meeting**   * It was agreed that key issues to highlight to the TPSPB are: * Increase of member volume engagement * Valuation (risks and resources) * Employer Performance Tables |  |
| Agenda Item 10 | **AOB**   * The sub-committee Terms of Reference have been refreshed to reflect the points requested at the sub-committee chairs meeting in July, and subsequent email exchanges.  The revised ToR have then been circulated to the members of all sub-committees for comment; and shared today for further consideration and comment.  They will then be formally agreed at the next TPSPB in January 2019. |  |
| Next meeting | 13 March 2019, TP, Lingfield Point, Darlington |  |

Minutes agreed (Chair):  Date: 19/12/2018

Confirmed by circulation to sub-committee members on: /2018

Ratified at sub-committee meeting 13 March 2019.